Global News release

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| *Contact* | Katherine Howbrook  Tel: +44 (0) 20 7212 2711  Email: [katherine.j.howbrook@uk.pwc.com](mailto:katherine.j.howbrook@uk.pwc.com) |
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**PwC survey highlights the need for more financial services firms to act now on MiFID II**

Just over half of firms within all financial services industry sectors are considering MiFID II within the context of the wider regulatory change landscape, according to a PwC European-wide survey. The report, *“Are you taking control of the MiFID II agenda?”* published today by PwC, also reveals that although it is too early for firms to establish the cost of MiFID II, over half have allocated budget to undertake some initial activity in 2012.

Ullrich Hartmann, financial services partner at PwC said:

“Despite MiFID II deadlines being pushed back, it remains a key component of wider regulatory reform. Our survey findings show that a number of firms have already set up working groups and are raising internal awareness, conducting initial high level impact assessments and undertaking analysis of the potential scenarios of MiFID II outcomes. Financial services firms are right to act sooner in order to set their future strategy and develop related systems and processes to prepare their business for MiFID II. ”

**Report key findings:**

* Survey respondents expect and acknowledge that MIFID II will have major strategic impacts and will significantly influence their systems and business models
* Respondents were not clear on the cost of dealing with MiFID II, but over 50% allocated budget to undertaking initial activity in 2012
* Many firms will be considering undertaking a strategic analysis of the impacts before the end of 2012. Asset Managers appeared to have done less work on this at the time of our survey compared to broker dealers, retail banks and private banks
* Survey respondents seem to believe that lobbying is unlikely to change the minds of regulators or politicians with regard to MiFID II. Over half of respondents stated they would not undertake lobbying at any stage.
* Broker dealers have engaged more actively on lobbying as opposed to asset managers and retail firms.
* As the impact of MiFID II will be more significant for broker dealers, the majority of them have a relatively good understanding of the technical requirements within the MiFID II proposals and are including implementation plans for MiFID II in the context of the wider regulatory reform agenda
* Only 56% of survey respondents said they were considering the draft legislation for MiFID II within the context of the wider landscape of regulatory change.

Ullrich Hartmann, financial services partner at PwC concluded:

“Recognising the importance of considering MiFID II within the broader landscape of regulatory reform should help firms manage their change programmes in a more effective manner, compared to those who intend to deal with MiFID II in isolation.

“MiFID II is not just a compliance exercise. Given the magnitude of commercial and operational impacts, successful implementation will require early involvement of relevant business lines and key functions such as IT and operations.

The deadline for MiFID II may have been pushed back, but acting now on MiFID II in the context of wider regulatory reform will help prevent firms from reacting too late to the market changes that will arise, losing profitability and surrendering market share to competitors. ”

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